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United Nations Industrial Development Organization

Industrial Development Board

Eleventh session

SUMMARY RECORD OF THE 10th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 28 October 1993, at 3 p.m.

President: Mrs. BECKER (United States of America)
later: Mr. YIMER (Ethiopia)
later: Mrs. MACHADO QUINTELLA (Brazil)

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The meeting was called to order at 3.25 p.m.

UNIDO POLICIES (continued)

MEDIUM-TERM PLAN, 1994-1999 (continued)

ORGANIZATIONAL AND STAFF STRUCTURE OF UNIDO (continued)

NEW CONCEPTS AND APPROACHES FOR COOPERATION IN INDUSTRIAL DEVELOPMENT IN CONFORMITY WITH ARTICLE 2 (c) OF THE CONSTITUTION (continued)

1. The PRESIDENT said that the Board would continue the consideration of the Director-General's proposals on the future policy framework and organizational and staff structure of UNIDO (IDB.11/31; IDB.11/CRP.7, CRP.8).

2. Mr. RIANOM (Indonesia) said that document IDB.11/31 was comprehensive and provided an overview of what UNIDO was doing and was called upon to do in response to changing demands in the global situation, as well as proposals to strengthen the Organization's functions and restructure it to improve its efficiency. His delegation attached great importance to the reorientation and structural reform of UNIDO.

3. The needs of the developing countries and their priorities were evolving. UNIDO should therefore establish new priorities and devise new approaches and strategies that would serve the interests of the developing countries. At the same time, UNIDO could not increase the efficacy of its external action without improving the efficiency of its internal functioning. The primary objective would be to make the Organization more responsive to the changing realities and emerging challenges of current economic, industrial and technological development. Steps must be taken to ensure not only the financial viability of the Organization, but also its democratic functioning, with full consultation of all Member States.

4. His delegation hoped that the new organizational structure proposed in document IDB.11/31 would minimize duplication of functions and permit efficient coordination, monitoring and evaluation, as well as ensuring the smooth running of the Organization if the Director-General had to be absent from Headquarters. He hoped also that the need to improve representation of under-represented countries on the staff would be taken into account.

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5. In his delegation's view, the priorities listed in paragraph 29 of the document remained valid, although the order of priorities might vary from one country to another. Services rendered by UNIDO to the developing countries should focus largely on "software" assistance such as human resource development, project studies, the development of technological capability and activities directed towards increasing value added. While "hardware" assistance might be extended on a very selective basis, workshops and seminars, as well as comparative studies, should be limited to those having a direct impact on increasing value added.

6. There was a growing emphasis on the development of the private sector in most developing countries, and he agreed that the demand for UNIDO services was shifting towards requirements in that sector. However, since Governments in many developing countries had to pursue a two-track industrialization strategy, involving a carefully controlled expansion of the private sector on the one hand and the continued growth of State involvement on the other, his delegation considered that the public sector should be given equal emphasis.

7. Indonesia intended to take an active part in efforts to restructure and revitalize UNIDO.

8. It would be a good idea for the forthcoming session of the General Conference to focus its general debate, in particular, on industrial development in the changing global situation and the future policy framework of UNIDO.

9. Ms. SJOLANDER (Observer for Sweden) expressed satisfaction at the Director-General's proposals. Her delegation agreed with the main points made in the document, which reflected a readiness within the Organization to make far-reaching changes to meet new demands. What was now needed was resolute implementation of the proposals, once they had been approved by the General Conference at its coming session.

10. Document IDB.11/31 could perhaps have been more specific as to the concrete changes that were foreseen. Focusing - and narrowing of priorities - was a main theme throughout the document, but it was not clear what activities would be dropped and how activities would be trimmed down in practice. Those questions would need attention. It was, however, refreshing to read self-criticism of the kind found in section B of chapter II, where seven weaknesses of UNIDO were listed. Sweden felt that the major weakness of UNIDO was the fourth in the list: the lack of focus and specialization in the range of services provided by UNIDO. If that problem were remedied, the others would not be difficult to solve.

11. With regard to the strengths of UNIDO, Sweden agreed that the staff was the most vital resource of any organization. Sweden welcomed the emphasis laid on the proper recruitment and training of staff. The changing role of UNIDO required new skills, and on-the-job professional training would be increasingly important in the future.

12. It seemed that the number of women on the staff had been drastically reduced in connection with the staff reduction programme. There were many reasons for that, including the fact that women were a majority among General Service staff. But the proportion of women at higher levels who were leaving was also high. That seemed to indicate that women were generally older by the time they were promoted. That problem should be examined as the reorganization of UNIDO continued. Sweden, like other Nordic countries, also wondered how it was intended that UNIDO would continue to treat the integration of women in industrial development as a priority issue, and how that would be reflected in the organizational structure.

13. The comments made in paragraph 38 of the document were in line with Sweden's views. It was important to find a balance between demand from member countries and the specific competence and possibilities of UNIDO. It was also understood that all UNIDO activities should be in the framework of sustainable development.

14. Sweden would like to see UNIDO cooperate more closely with other agencies and with the World Bank. At the same time, it saw the need for UNIDO to maintain its own profile. However, in the light of the financial situation of most agencies, Sweden favoured a higher degree of integration of field offices between agencies of the United Nations system.

15. She had little to say on the organizational structure proposed by the Director-General, and considered that that issue was within the prerogatives of the Director-General. However, her delegation appreciated the efforts made to reduce the layers of supervision; UNIDO had been a top-heavy organization for too long.

16. Mr. WOTAVA (Austria) said that there seemed to be wide support for the proposals of the new Director-General for ways of responding to the challenges facing UNIDO. That could make it possible for the Board to take a decisive step forward.

17. Austria strongly supported the attempt that had been made to link the question of organizational structure with that of the substantive tasks of UNIDO. Austria supported the main thrust of the Director-General's proposals, but wished to comment on certain points.

18. The emphasis on market orientation and the focus on ecologically sustainable industrial development and on small- and medium-scale enterprises seemed to be key elements. Possibilities for successful investment promotion should increase as a result of the greater effectiveness of industrial development assistance programmes, which in turn should be based on careful programming work, taking into account regional requirements. Policy analysis activities for countries and regions would constitute promising new fields of action for UNIDO.

19. Those activities would be enhanced by a strong field presence. Austria supported the UNIDO Country Director (UCD) programme, and considered that greater attention should be given to sources of funding. The legitimate demands of donors regarding quality, cost-effectiveness, efficiency and sustainability of activities should be respected. Improved quality orientation in design, execution and evaluation as well as closer dialogue with donor institutions and Governments were essential elements in the proposal.

20. With regard to the organizational proposals, Austria supported the emphasis on the redefinition of the key functions needed for a sharper focus of

the Organization's services and substantive capabilities, on a quality-determined delivery of services and on the need for a lean and less hierarchical Organization. The management structure that the Organization had been given in 1985 had proved top-heavy. It was high time to resolve that problem and give the Director-General full support in his restructuring, and thus enable UNIDO to be converted into a new, flourishing organization.

21. On the question of the staff reductions being envisaged by the management, his delegation agreed that the situation required contingency measures. However, there was a danger that the mere reduction of personnel would impair the capacity of UNIDO to perform its functions. Staff reductions should be kept to a minimum, and social considerations required that, wherever feasible, all levels should be affected by such measures equally and in a gender-balanced manner. Undue hardship for employees should be avoided, and it should be borne in mind that age played a decisive role in determining chances of re-employment. In the light of those considerations, he had been interested by a proposal made recently by staff representatives that all the staff of UNIDO, as a sign of solidarity, should sacrifice a small percentage of their salaries to bring about savings that would enable the Organization to maintain the present level of staffing. That would preserve the capacity of UNIDO at its present level and be a source of additional motivation for staff members, since the measure would be revoked only after an improvement in the Organization's performance. He hoped that the management would give serious consideration to that idea.

22. Mrs. WIIG (Norway) said that document IDB.11/31 provided an excellent basis for the debate on recommendations to the General Conference on the priorities and structural reform of UNIDO.

23. The position of Norway on the issue of reform within the United Nations system had been expressed on many occasions. Briefly, Norway felt that the different organizations should develop their comparative advantages, discontinue activities that others could do better, respond to demand within those parameters and coordinate efforts so as to achieve greater impact and allow resources to go further. The Director-General had responded to those challenges in the document under discussion, and Norway welcomed his vision for a future UNIDO.

24. The document indicated the direction in which UNIDO should move, but her delegation looked forward to a continued dialogue with the Director-General on further follow-up. One concrete proposal was for the abolition of the five Deputy Director-General posts; her delegation welcomed that proposal. Those posts no longer served the Organization's needs. As far as the proposed organizational chart was concerned, Norway considered that it was the Director-General's prerogative to organize the Secretariat according to needs and in line with the overall directions given by Member States. It proposed that the chart should be treated as information and not form part of any recommendations or decisions by the policy-making organs.

25. Two aspects of the proposed reform programme were of vital importance. First, Norway welcomed the priority given to the promotion of sustainable industrial development, but that should not be regarded as a separate activity or as just one among many considerations to be addressed in UNIDO programmes. Sustainable industrial development should be the overriding principle guiding all UNIDO activities. Projects addressing particular environmental issues would be needed, but the goal of facilitating an industrialization process which was sustainable should be a concern incorporated in all activities.

26. Another equally important issue for the Norwegian delegation was the integration of women in industrial development. Norway would like to see further indications of how UNIDO intended to deal with that issue in the future. The knowledge and experience acquired in that area over the years should not be lost in the new structure. Only if the focus was maintained would that programme continue to have the necessary impact on the Organization's activities.

27. Mr. SOULTANOV (Observer for Kyrgyzstan) said that the question now before the Board must be clarified if UNIDO was to be able to make any progress. The views of all States should be taken into account in the process, and he regretted that Kyrgyzstan had not been involved in the informal consultations preceding the session. However, his delegation's view on the optimization of the activities of UNIDO coincided broadly with the views expressed by the Director-General.

28. In implementing the necessary reforms, three principles should be borne in mind. Firstly, legal norms should be observed in spirit and in letter and correct procedures should be followed. Secondly, the practice of offering permanent contracts should be abandoned and a system of fixed-term contracts introduced. Board members who shared that view might wish to prepare a draft decision for consideration. Thirdly, constant reorganization meant constant disorganization. All relevant considerations must be taken into account in the present restructuring exercise so that there would be no need for further restructuring in the near future.

29. Mr. ARCILLA (Observer for the Philippines) said it was clear that a lot of thought had gone into the preparation of document IDB.11/31. Recent developments in the global economy required UNIDO to prioritize its activities; however, since the essential mission of UNIDO was to promote industrial development in developing countries, it must continue to be guided by demand from its Member States, particularly the developing and the least developed countries. That did not mean that developing countries should depend on multilateral agencies and donors to achieve their development objectives; self-sufficiency ought to be every country's ultimate goal. UNIDO should help countries to develop self-sufficiency.

30. The five specific and interlinked development objectives identified in the Director-General's proposals (IDB.11/31, para. 39) had the support of the Philippines. Those objectives should be pursued as part of an integrated development approach. Indonesia agreed that UNIDO should base its delivery of services on the industrial development strategies drawn up by individual countries, taking account of the capabilities and comparative advantages of UNIDO on the one hand, and country requirements on the other. It also supported the proposal to strengthen field

representation and the aim of increasing the number of UNIDO Country Directors to 50. That could be brought about through the outposting of headquarters staff. The Philippines had repeatedly requested the assignment of a full-time representative to Manila and hoped that that matter would be urgently addressed. Resources made available through economies should be channelled to the UCD programme. A revision of the present practice of UNIDO with respect to home leave entitlements could generate sufficient savings to fund all the desired additional UCD posts.

31. The Director-General was to be congratulated on his proposals, which involved sacrifices for some staff members; to them a debt of gratitude was due.

32. Mr. OYADEYI (Nigeria) commended the Director-General for the courage he had displayed in submitting his proposals (IDB.11/31), and congratulated Member States on their spirit of cooperation and understanding in the matter. The primary focus of UNIDO in future should be on the industrialization needs of the developing countries. The Organization needed a new structure that would reflect global economic changes and allow it to cope with its enormous financial difficulties. The proposed new structure of eight organizational units represented well the range of programmes and the interests of various geographical regions. Technical assistance to developing countries should be increased, with emphasis on regional and subregional integration. The UCD programme was of vital importance and should be funded from the regular budget, while the number of UCDs should be increased, particularly in Africa.

33. He appealed for the strengthening of industrialization programmes in Africa, in particular the Industrial Development Decade for Africa (IDDA). An increase in the number of African staff in policy-making positions in UNIDO was desirable. He hoped the Director-General would effect the necessary changes and report to the Board at its twelfth session. Adjustments should honour the principles of equitable geographical representation and should apply at all levels. The financial implications of adjustments should be indicated. He called on Member States to take appropriate action so that the General Conference could reach a decision on the matter at its fifth session, in accordance with its decision GC.4/Dec.22, and appealed to them to honour their financial commitments to the Organization.

34. Mr. YIMER (Ethiopia), speaking on behalf of the African Group, thanked the Director-General for his useful and comprehensive study (IDB.11/31), which was a timely and essential contribution to the debate on UNIDO's future. The African Group fully supported the proposals, which would go a long way towards revitalizing UNIDO and making it more cost-effective. He emphasized that there should be an enhanced role for developing countries, especially African developing countries, in the new structure. Inequities in geographical distribution at all levels, but especially at the higher level, should be eliminated. At least two D-2 posts should be assigned to Africans. Among UNIDO's activities, the IDDA and UCD programmes were of paramount importance. He hoped that the Director-General's proposals would be adopted by the General Conference at its fifth session, to which Africa was proud to be acting as host.

35. Mr. LEE (Republic of Korea) commended the Director-General for his proposals (IDB.11/31), which represented an excellent basis for reaching a consensus on the subject. He noted with satisfaction that in the United Nations system-wide reforms emphasis had been placed on the role of specialized agencies as centres of excellence in their respective fields. UNIDO should make the most of its comparative advantages in seeing that the critical needs of developing countries in industry were fully met in UNIDO programmes. As emphasized by the Ministers for Foreign Affairs of the Group of 77 at their recent meeting, UNIDO's coordinating role within the United Nations system in matters of industrial development should be strengthened. The Director-General should establish a mechanism for enhancing inter-agency coordination, both within and outside the United Nations system.

36. Of the five development objectives listed in the Director-General's report, the first, industrial and technological growth and competitiveness, was the most important. The promotion of environmentally sustainable industrial development was also of major importance and UNIDO should give greater assistance to developing countries in that field, particularly in the development and transfer of clean industrial technology. Closer attention to country and regional needs was required so that UNIDO's services could be tailored to them. He endorsed the proposal to establish regional and subregional offices in order to focus attention on regional needs in industrialization. UNIDO should concentrate its activities in areas where it had the greatest comparative advantage, but the Director-General should be allowed flexibility in determining the priorities of UNIDO services to developing regions and countries.

37. The proposed structure comprising eight organizational units covered the priority areas of activity well, and was an acceptable starting point for reform. However, abolition of the Deputy Director-General posts was a drastic proposal, when compared with existing structures of other agencies of the United Nations system; restructuring should be carried out in a careful way, with flexibility and pragmatism. Restructuring also called for the establishment of sound management procedures and operational systems. That in turn required greater coordination of work among the organizational units, in order to promote the team spirit and improve work flow within the Organization. He welcomed the proposed Management Committee and Programme and Project Review Committee. Coordination should apply not only to administration and management but also to substantive aspects such as consistency in the industrial policies formulated by each unit and compatibility of sectoral and subsectoral strategies. In appointing directors for the new units, the highest standards of competence should be sought, together with qualities of leadership and skills in quality management, coordination and teamwork. Equitable geographical distribution should be respected, with due consideration for developing countries that had been underrepresented or unrepresented in the Secretariat.

38. His delegation had full confidence in the Director-General but the reform process envisaged would not be easy. A collective will to revitalize UNIDO was needed. He hoped that the Director-General's proposals would be approved by consensus.

39. Mr. Yimer (Ethiopia) took the Chair.

40. Mr. EL HUSSEIN (Sudan) expressed his support for the statement made by the representative of the African Group. His delegation endorsed the Director-General's proposals (IDB.11/31) and appreciated his efforts to place UNIDO in a position to adapt to the changing world situation. There was wide acceptance for the proposals, which were the outcome of lengthy consultations. There was a need to make UNIDO more effective but reforms should be applied in a flexible way. Equitable geographical distribution must be taken into account in making new appointments, to correct the existing under-representation of developing countries, especially the least developed countries, in senior posts. Emphasis should be placed on field activities, focusing on urgent needs such as industrialization of the least developed countries. The efforts African States were making in industrial restructuring and privatization deserved support from UNIDO. Two events of importance in 1993 for industrialization of the least developed countries in Africa were the Conference of African Ministers of Industry, held in Mauritius, and the forthcoming session of the UNIDO General Conference at Yaoundé.

41. Mrs. OK (Turkey) welcomed the Director-General's proposals for reform (IDB.11/31) and supported his aim of concentrating UNIDO's activities in certain areas such as privatization, promotion of foreign investment, development of human skills, and enhancement of medium- and small-scale enterprises. The new emphasis on environmentally sustainable development was also welcome. The introduction of a quality management system and the promotion of career development for women in the UNIDO Secretariat were matters of particular importance. The proposed new structure comprising eight organizational units and abolishing the posts of Deputy Director-General represented a radical change but the Director-General should be entitled to reorganize UNIDO's structure in accordance with the priorities specified by the Member States. Her delegation was concerned, however about the possibility of effective coordination among the new units when the Director-General was absent. In making new appointments, proper attention should be paid to professional competence. Her delegation welcomed the proposed strengthening of coordinating committees within the Secretariat, and of the UCD offices. The outposting of efficient staff to UCD offices would be useful, but it was important that the quality and efficiency of the UCDs should be further improved. A better way of controlling extravagant UNIDO expenses, such as travel expenses should be found.

42. Mr. AMOO-GOTTFRIED (Ghana) commended the Director-General's proposals (IDB.11/31) and supported the statement made by the representative of Ethiopia on behalf of the African Group. The new UNIDO structure should be operational and adaptable and more decentralized, with more attention being devoted to field work. The number of UCDs should be increased. A fair share of new D-2 posts should be assigned to Africans, so that Africa could have a greater role in decision-making. UNIDO should give greater support to financing small and medium-scale enterprises and to promoting women in such enterprises. With regard to industrial investment promotion, UNIDO services must be able to compete with the private sector. Activities such as the IDDA should be better funded, better integrated in the Africa-wide programme, and demand-driven.

43. Mr. AL-ERYANI (Observer for Yemen) expressed his support for the Director-General's proposals (IDB.11/31) and his confidence in the Director-General's ability to adapt UNIDO to a changing world. In introducing reforms, particular importance should be attached to the hopes and objectives of all Member States and to the principle of equitable geographical distribution in filling posts.

44. Mr. WEJTKO (Observer for Poland) thanked the Director-General for his proposals (IDB.11/31) and for his untiring efforts to gain Member States' understanding and support for them. They represented a major and innovative step forward. The proposed Secretariat structure of eight basic units should enhance management efficiency. Equitable geographical distribution should be ensured in appointing directors, taking the specificity of the Central and Eastern European countries duly into account. He supported the proposed strengthening of the country and regional focus and the mobilization of internal and external investments; operational support services should also be enhanced. He welcomed the Director-General's intention to simplify the procedures for processing technical cooperation projects. Compartmentalization and competition for limited resources should give way to cooperation and teamwork in the Secretariat. Speedy implementation of the proposed reforms was desirable, but the schedule should be sufficiently flexible to harmonize UNIDO's restructuring with changes elsewhere in the United Nations system.

45. He fully supported what had been said by the representative of Hungary at the previous meeting concerning the need for UNIDO assistance for the restructuring process in the countries of Central and Eastern Europe. Trust fund arrangements entered into by UNIDO had proved a great success in helping Polish industries to adapt to new market conditions, the main aim being to teach enterprises how to make profit.

46. He endorsed the remarks made by the representative of Switzerland concerning the importance of reform for UNIDO's future. A lack of tangible results from the fifth session of the General Conference would definitely have a negative impact on Poland's cooperation with the Organization.

47. Mrs. BECKER (United States of America) said that her Government welcomed the proposals made by the Director-General to revitalize UNIDO through a concentration of its core and programme activities on areas of comparative advantage and streamline the staff structure. For many years, efforts to reach agreement on basic priorities and meaningful reform had failed. A number of countries had tried in vain in the past to bring about improvements in that regard. The United States was gratified to see that changing circumstances combined with a vigorous new leadership had created a new situation. She was pleased to note the comments made by many speakers from different regional groups in support of the Director-General's vision for UNIDO. Implementation of the proposals would take time, and the United States looked forward to maintaining a constructive dialogue with the Director-General as implementation proceeded. The United States would be paying close attention to the workings of the Executive Management Committee and the Programme and Project Review Committee. As had been pointed out, team work and transparency had not characterized the internal

operations of UNIDO in the past, and if that did not change the Director-General's bright vision for the Organization's future would not be realized. The United States urged all UNIDO staff to give their full support to making the Director-General's proposals work.

48. It was vital that the Board should now make a strong and unambiguous recommendation - hopefully by consensus - to the General Conference to adopt the Director-General's proposals.

49. Mrs. Machado Quintella (Brazil) took the Chair.

50. Mr. FRANCAIS (United Nations Development Programme) said that the world was seeing rapid changes, and familiar concepts were becoming obsolete. At the same time, trends such as the growth of the world population, the deterioration of the environment, galloping urbanization and the increasing marginalization of large sections of the population continued to threaten the future. The ideology of growth had long dominated thinking, but growth did not necessarily mean true human development.

51. UNDP, as a subsidiary organ of the United Nations, was not called upon to pass judgement on the reforms envisaged by UNIDO. However, he would try to draw attention to certain areas where cooperation between UNIDO and UNDP could be intensified in the future. UNDP attached great importance to human development, meaning a conception of development which centred on human beings. It was also important to preserve the viability of the planet for future generations. As far as industry was concerned, the objective of industrial growth for growth's sake should be abandoned, and consideration given to how UNIDO could make a greater contribution to meeting the needs and basic aspirations of each individual. The consideration of pressing themes in that connection would be in line with the concern of UNDP to promote just and durable development, attacking poverty, preserving the environment, aiming at social integration and stimulating appropriate technologies. He noted in that connection that document IDB.11/31 stressed the need to pay attention to combating poverty and preserving the environment.

52. Such considerations would be academic without an adequate operational capacity in the field. In that connection, national institutions were now being called upon to assume increasing responsibility for their own development. The United Nations system had been invited to support that approach, entrusting the implementation of the programmes that it financed to nationals, developing a programme approach and establishing new mechanisms for the mobilization and financing of technical assistance. The organizations of the United Nations system had also been invited to develop joint strategies in support of national development efforts and to coordinate their operational activities with the help of the resident co-ordinators. Those changes would call for a new approach to development assistance on the part of UNIDO and the other specialized agencies. Increasingly, upstream services would be required, particularly in the areas of the development of policies and strategies, the formulation of programmes, the mobilization of specific forms of expertise in support of development processes, all areas of high value added in comparison with the conventional approaches to technical assistance. In those areas, the accumulated experience and know-how of UNIDO would be very valuable.

53. UNIDO was entering a difficult stage in its evolution, and UNDP would do all it could to facilitate that transition, looking for ways of making appropriate adjustments within the limits of its mandates and possibilities.

54. Mr. DE MARIA Y CAMPOS (Director-General) thanked the representatives for their comments on his proposals (IDB.11/31). Change in any organization was a long and complex process. In UNIDO also it would be a long-term effort requiring considerable human and financial resources and the support of Member States. The main thrust of the proposed reforms was to be more responsive to demand and more selective. Certain activities were being grouped together so that the Organization could have a better focus in the future. Priority would be given, for example, to small and medium-scale enterprises, training and human resources development, but it would be necessary to adopt more specific priorities within those fields. That would be the task of the directors of the proposed eight new organizational units, who would have the main responsibility for formulating their programmes in the future. Two points raised often by representatives concerned the role of women in industrial development and the importance ensuring that industrial development was ecologically sustainable. In future, those criteria should be incorporated into programmes and policies at the formulation stage.

55. The current trend in the United Nations system was towards decentralization. Despite the lack of resources, UNIDO could strengthen its field representation in number and quality, and decentralize decision-making. That would involve assessing the resources available, evaluating needs and determining where savings would be possible. Member States would be informed of the result and could then take a decision on mobilizing further resources.

56. Restructuring the Organization was not enough, however: it was also necessary to reform procedures. Terms of reference should first be defined for each administrative area and then it would be possible to see what changes in coordination and procedures were required. He hoped that, once structures and procedures had been reformed, Member States would undertake to pay their assessed contributions promptly and consider providing new sources of funds and seconded staff. In recruiting staff during the restructuring process, he would be directed by Article 11 of the UNIDO Constitution, which gave precedence to the necessity of securing the highest standards of efficiency, competence and integrity, but balanced that against the need for wide and equitable geographical distribution. He asked Member States to allow him some flexibility of action, at least in the short term. In general, an effort would be required to improve the staff recruitment process in the future.

The meeting rose at 5.55 p.m.